2007-05287/

Government of Canada Securities

A Publication of the Department of Finance

January 2005

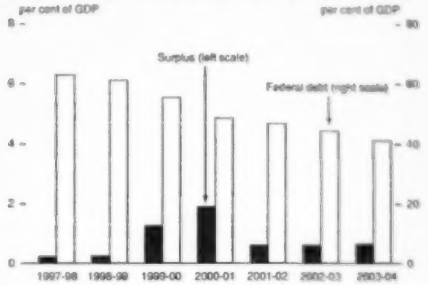
Canadian Economy

Selected Canadian economic statistics

	2003		2004		
	Q3	Q4	Q1	Q2	Q3
Annualized growth rates			(per cent)		
Real gross domestic product	1.4	3.3	2.7	3.9	3.2
Final domestic demand	5.2	2.3	5.2	2.1	3.3
Employment growth	0.8	3.6	1.1	2.0	1.3
Other					
Unemployment rate	7.9	7.5	7.4	7.2	7.1
Current account balance (percentage of GDP)	2.2	2.2	2.6	3.5	2.9

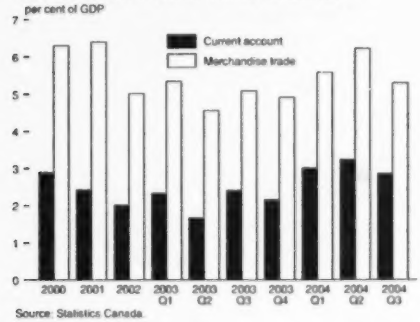
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance



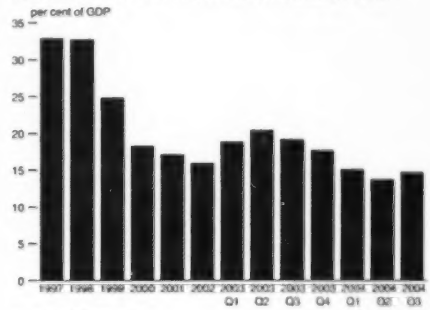
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

January

December CPI
(January 19)

November GDP
(January 31)

February

January Labour Force Survey
(February 4)

January CPI
(February 22)

December GDP
(February 28)

National Economic and Financial Accounts
October-December 2004
(February 28)

March

February Labour Force Survey
(March 11)

February CPI
(March 23)

January GDP
(March 31)

Canada

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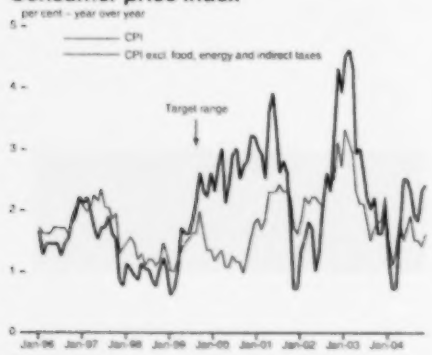
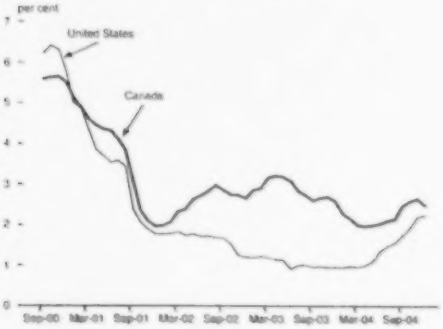
Canadian Economy

Consumer price index



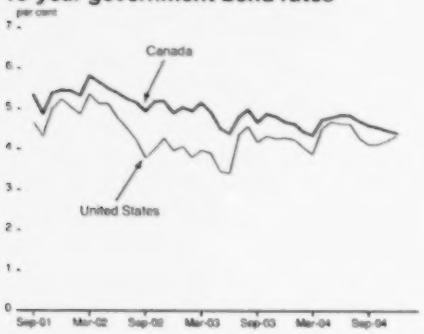
Source: Statistics Canada

3-month Treasury bill rates



Sources: Bank of Canada and Federal Reserve

10-year government bond rates

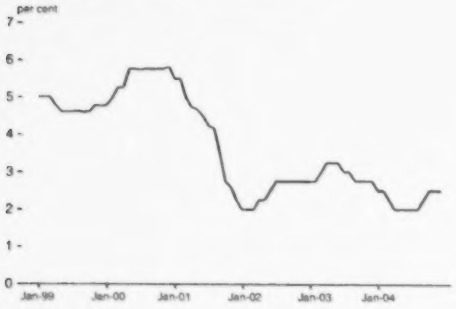


Sources: Bank of Canada and Federal Reserve

Exchange rate

Source: Bank of Canada

Overnight money market rate



Source: Bank of Canada

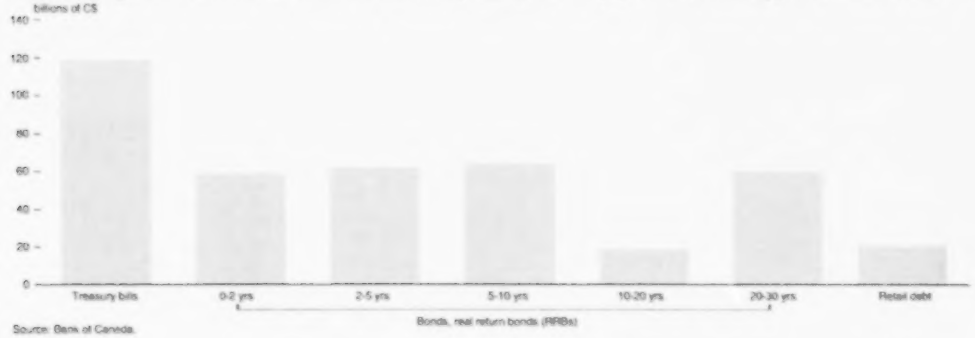
Canadian monetary aggregates

Source: Bank of Canada

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt



Source: Bank of Canada.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
December 8, 2004	2	June 1, 2007	3	2,800	99.944	3.024	2.325	0.4
November 17, 2004	5	September 1, 2010	4	2,100	99.729	4.054	2.258	0.5
October 13, 2004	10	June 1, 2015	4.5	2,100	98.627	4.666	2.267	0.3
September 15, 2004	2	December 1, 2006	3.25	2,800	99.866	3.312	2.416	0.3
September 1, 2004	30	December 1, 2036	3***	300	115.125	2.330	2.205	n.a.

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** Real return bond.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2005)	Further details of issue (2005)	Dated and delivered (2005)	Amount maturing*
				(millions of dollars)
30-year auction	January 12	January 6	January 17	0
10-year auction	February 2	January 27	February 7	0
5-year auction	February 16	February 10	February 21	0
30-year RRB auction	March 2	February 24	March 7	0
2-year auction	March 16	March 10	March 18	0

In addition, this quarter seven operations are planned under the Government of Canada bond repurchase program. Four repurchase operations are being held in conjunction with each nominal bond auction, and three switch repurchase operations are taking place: one on January 13 in the 5-year sector, one on February 9 in the 2-year sector and one on March 9 in the 10-year sector. Further details are released on the Thursday prior to these operations. The target amount for repurchase this quarter is $2.8 billion.

*Maturity of $496 million on March 1, 2005.

Source: Bank of Canada.

Government of Canada Securities

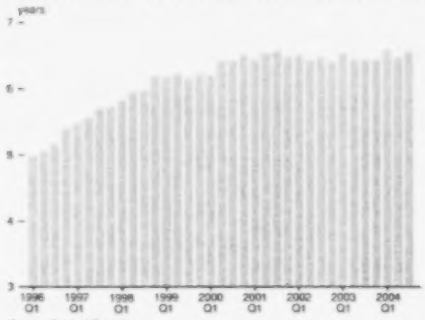
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Jan. 5, 2005)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	Dec. 1, 2006	3.25	6,000	3.03
5-year	Sept. 1, 2009	4.25	10,100	3.68
10-year	June 1, 2014	5.00	10,867	4.31
30-year	June 1, 2029	5.75	13,850	4.84
Real return				
30-year	Dec. 1, 2026	4.25	5,250	2.00

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

January-March 2005	April-June 2005	July-September 2005	October-December 2005
	(millions of dollars)		
496	6,526	10,076	10,889

Outstanding Government of Canada foreign currency debt

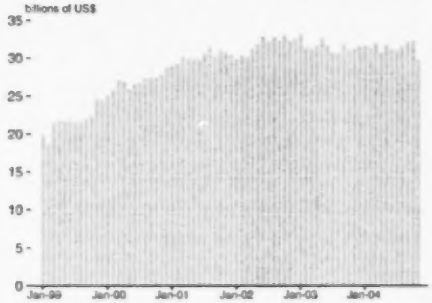
	(C$ millions)*
Canada bills	1,867
Canada notes	1,168
Outstanding under EMTN program	1,801
6¾% US$ bonds maturing July 21, 2005	1,803
6¾% US$ bonds maturing August 28, 2006	1,202
6¾% NZ$ bonds maturing October 3, 2007	432
4¾% EUR bonds maturing July 7, 2008**	3,331
5¼% US$ bonds maturing November 5, 2008	3,005

* At par value, adjusted for exchange rates as of December 31, 2004.

**Original issue of Deutsche Marks was redenominated into euro on February 19, 1999.

Source: Bank of Canada.

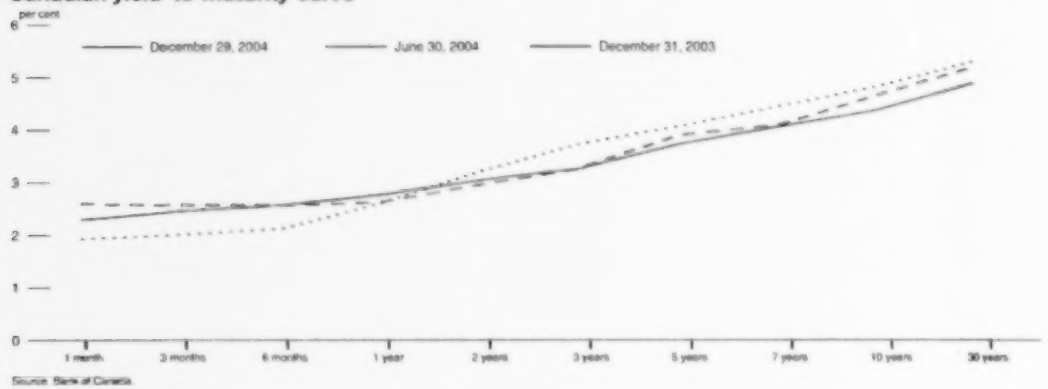
Canada's level of liquid foreign reserves



Source: Bank of Canada.

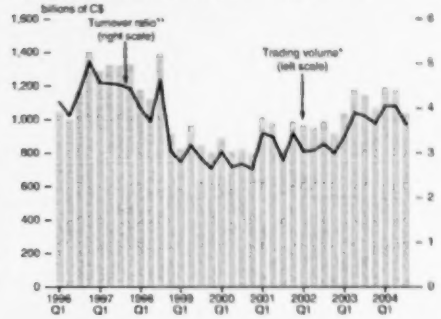
Secondary Market

Canadian yield-to-maturity curve



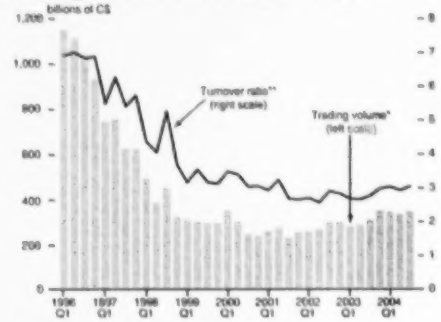
Source: Bank of Canada.

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



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Source: Bank of Canada.

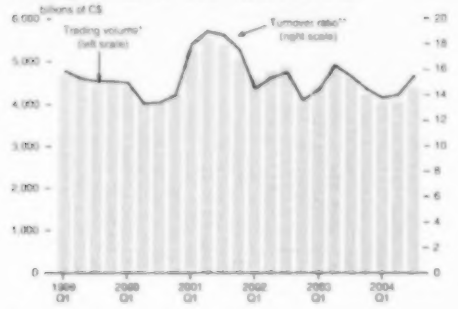
Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Scotia Capital Inc.
- Société Générale Valeurs Mobilières Inc.
- The Toronto-Dominion Bank

Government of Canada Securities

Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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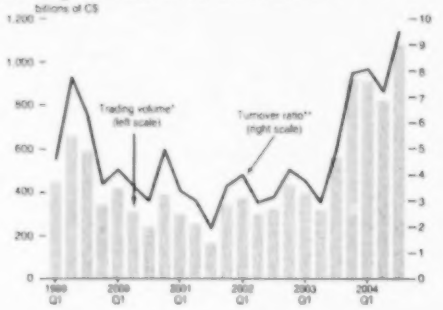
Government of Canada Treasury bill repos trading volume and turnover ratio



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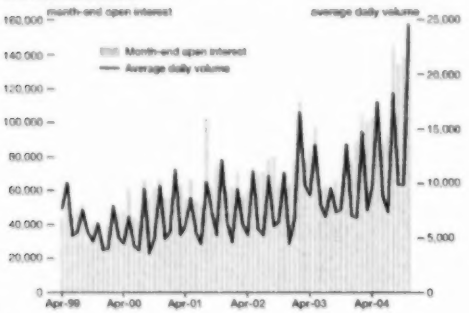
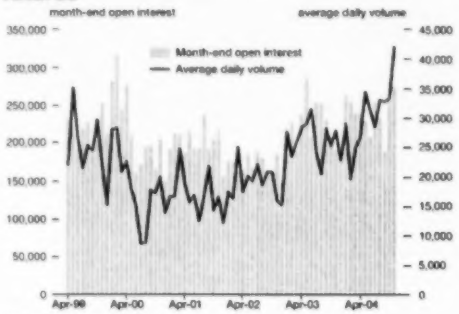
10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of January 5, 2005.
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